

Message Text

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PAGE 01 QUITO 02100 311731Z
ACTION ARA-10

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01
CIAE-00 COME-00 DODE-00 EB-08 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06
OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 PA-01
PRS-01 /100 W

-----011318Z 101599 /45

R 311633Z MAR 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC 3727
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 2100

E.O. 11652: GDS
TAGS: EINV, ENRG, PFOR, EC
SUBJECT: GULF-GOE NEGOTIATIONS

REF: QUITO 2039

1. GULF HAS STILL HAD NO WORD FROM FINMIN SEVILLA
REGARDING MEETINGS ON OVERRETENTIONS AND ROYALTY PAYMENTS.

2. IN RELATED DEVELOPMENTS, OFFICIAL GOE SPOKESMAN HUGO
GARCES ANNOUNCED MARCH 29 THAT THE SALE OF GULF'S ASSETS
TO CEPE WILL BE CONCLUDED "WITHIN A FEW DAYS." QUITO
DAILY "EL TIEMPO" CARRIED A FRONT-PAGE ARTICLE MARCH 30
QUOTING "INFORMED SOURCES" AS REPORTING THAT THE GULF-GOE
AGREEMENT SHOULD BE SIGNED THIS WEEK "TO AVOID POSSIBLE
SUSPENSION OF PIPELINE AND PRODUCTION OPERATIONS." THE
ARTICLE EXPLAINS THAT CEPE LACKS THE DOCUMENTATION (I.E.,
THE AGREEMENT BETWEEN GULF AND THE GOE) TO SUPPORT ITS
FOREIGN SALES, AND THAT, WITH SALES LAGGING ACCORDINGLY,
STORAGE TANKS ARE FULL, NECESSITATING REDUCED PRODUCTION.

3. POSSIBILITIES OF A SUSPENSION IN PRODUCTION WERE
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VIGOROUSLY DENIED BY MINISTER OF NATURAL RESOURCES JAIME
SEMBLANTES MARCH 31. HE CLAIMED PRODUCTION HAS BEEN
RUNNING AT NORMAL RATES, AND THAT CEPE SALES WOULD
ACTUALLY INCREASE DURING THE MONTH OF APRIL AT THE NEW
MINIMUM PRICE OF \$13 PER BARREL. ARTICLE IN "EL COMERCIO"
REPORTING THE MINISTER'S STATEMENT ALSO QUOTED "PETROLEUM
SOURCES" AS SAYING THE GOE-GULF AGREEMENT WOULD BE

REVISED TO PROVIDE FOR ONE FIXED PAYMENT (RATHER THAN
PAYMENT IN TWO STAGES NOW SPECIFIED IN THE AGREEMENT);
THAT GULF HAD NOT YET ACCEPTED THE PROVISIONS OF DECREE
285; AND GULF HAS NOT YET DEPOSITED THE PAYMENTS FOR
SHIPMENTS DURING THE LAST THREE MONTHS OF 1976.

4. COMMENT: EMBASSY HAS DECIDED NOT TO CONTACT SEVILLA
NOR PRESENT THE LETTER OF ASSURANCES UNTIL AFTER GULF'S
MEETING WITH SEVILLA ON OVERRETENTIONS (WHENEVER THAT
MAY BE). WE HOPE THAT THE LETTER WILL NOT BE NECESSARY
IF GULF AND THE GOE CAN REACH AGREEMENT ON THE OUTSTANDING
TAX QUESTIONS.
BLOOMFIELD

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, CLAIMS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977QUITO02100
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770112-0495
Format: TEL
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977032/aaaaabbr.tel
Line Count: 75
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b71ed0b1-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 QUITO 2039
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2990437
Secure: OPEN
Status: NATIVE
Subject: GULF-GOE NEGOTIATIONS
TAGS: EINV, ENRG, PFOR, EC, US, GULF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b71ed0b1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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